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Moynihan: US foiled Soviet's bank plot

By Henry David Rosso
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WASHINGTON - US intelligence uncovered and foiled a Soviet scheme in the late 1970s to obtain high-technology secrets by taking control of American banks. Sen. Daniel Moynihan (D-N.Y.) said yesterday.

Moynihan said in a telephone interview he did not know the identities of the principals involved, but The New York Times reported yesterday the Soviet scheme was to take over three Northern California banks - a plan that did not violate any US law.

The Times identified the banks as Peninsula National Bank in Burlingame, First National Bank of Fresno and the Tahoe National Bank in South Lake Tahoe. The Soviets also tried to gain partial interest in Camino California Bank in San Francisco, the newspaper reported.

Moynihan, a member of the Senate Intelligence Committee for nine years and the panel's vice chairman between 1981 and 1985, said a CIA agent, noticing a peculiar lending pattern by the Singapore branch of a Soviet bank in the late 1970s, uncovered the plot.

The Times also reported the plan was squelched after the Soviets made a \$1.8 million down payment on the three banks.

Moynihan said the Soviets were attempting to take over the banks to get the opportunity to review blueprints and other plans for secret high-technology projects when reviewing business loan applications.

Peninsula National Bank, in particular, made numerous loans to high-tech firms. In addition, Peninsula National and the other banks had loaned money to employees and executives of high-tech firms, the Times said.

Moynihan said there is nothing illegal about the scheme, but he plans to introduce legislation that would require disclosure of ownership of banks.